

SENATE BILL No. 300

By Committee on Ways and Means

4-2

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; amending K.S.A. 2014 Supp. 72-1046b, as amended by section
3 29 of 2015 House Substitute for Senate Bill No. 7, 72-3715, as
4 amended by section 36 of 2015 House Substitute for Senate Bill No. 7,
5 72-6434, as amended by section 38 of 2015 House Substitute for
6 Senate Bill No. 7, 72-8814, as amended by section 63 of 2015 House
7 Substitute for Senate Bill No. 7 and 75-2319, as amended by section 72
8 of 2015 House Substitute for Senate Bill No. 7 and repealing the
9 existing sections; also repealing K.S.A. 2014 Supp. 72-6434, as
10 amended by section 3 of this act, and 72-8814, as amended by section 4
11 of this act.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. From and after July 1, 2015, K.S.A. 2014 Supp. 72-1046b,
15 as amended by section 29 of 2015 House Substitute for Senate Bill No. 7,
16 is hereby amended to read as follows: 72-1046b. (a) As used in this
17 section:

18 (1) "School district" means a school district organized and operating
19 under the laws of this state and no part of which is located in Johnson
20 county, Sedgwick county, Shawnee county or Wyandotte county.

21 (2) "Non-resident pupil" or "pupil" means a pupil who is enrolled and
22 in attendance at a school located in a district in which such pupil is not a
23 resident and who: (A) Lives 2½ or more miles from the attendance center
24 the pupil would attend in the district in which the pupil resides and is not a
25 resident of Johnson county, Sedgwick county, Shawnee county or
26 Wyandotte county; or (B) is a member of the family of a pupil meeting the
27 condition prescribed in subpart (A).

28 (3) "Member of the family" means a brother or sister of the whole or
29 half blood or by adoption, a stepbrother or stepsister, and a foster brother
30 or foster sister.

31 (b) The board of education of any school district may allow any pupil
32 who is not a resident of the district to enroll in and attend school in such
33 district. The board of education of such district may furnish or provide
34 transportation to any non-resident pupil who is enrolled in and attending
35 school in the district pursuant to this section. If the district agrees to
36 furnish or provide transportation to a non-resident pupil, such

1 transportation shall be furnished or provided until the end of the school
2 year. Prior to providing or furnishing transportation to a non-resident
3 pupil, the district shall notify the board of education of the district in
4 which the pupil resides that transportation will be furnished or provided.

5 (c) Pupils attending school in a school district in which the pupil does
6 not reside pursuant to this section shall be counted as regularly enrolled in
7 and attending school in the district where the pupil is enrolled for the
8 purpose of computations under the classroom learning assuring student
9 success act, section 4 of 2015 House Substitute for Senate Bill No. 7 et
10 seq., and amendments thereto, and for the purposes of the statutory
11 provisions contained in article 83 of chapter 72 of the Kansas Statutes
12 Annotated, and amendments thereto. Such non-resident pupil shall not be
13 charged for the costs of attendance at school.

14 (d) *Any pupil who was not a resident of the district in school year*
15 *2014-2015, but was allowed to enroll in and attend school in such district*
16 *in school year 2014-2015 by the board of education of such district, shall*
17 *be allowed to enroll in and attend school in such district in school years*
18 *2015-2016 and 2016-2017 regardless of whether such pupil is a resident*
19 *of the district in either school year. If transportation was furnished or*
20 *provided to such pupil in school year 2014-2015 by the district, then*
21 *transportation shall be furnished or provided by the district to such pupil*
22 *in school years 2015-2016 and 2016-2017.*

23 Sec. 2. From and after July 1, 2015, K.S.A. 2014 Supp. 72-3715, as
24 amended by section 36 of 2015 House Substitute for Senate Bill No. 7, is
25 hereby amended to read as follows: 72-3715. (a) In order to be included in
26 the full-time equivalent enrollment of a virtual school, a pupil shall be in
27 attendance at the virtual school on: (1) A single school day on or before
28 September 19 of each school year; and (2) on a single school day on or
29 after September 20, but before October 4 of each school year.

30 (b) A school district which offers a virtual school shall determine the
31 full-time equivalent enrollment of each pupil enrolled in the virtual school
32 on September 20 of each school year as follows:

33 (1) Determine the number of hours the pupil was in attendance on a
34 single school day on or before September 19 of each school year;

35 (2) determine the number of hours the pupil was in attendance on a
36 single school day on or after September 20, but before October 4 of each
37 school year;

38 (3) add the numbers obtained under paragraphs (1) and (2);

39 (4) divide the sum obtained under paragraph (3) by 12. The quotient
40 is the full-time equivalent enrollment of the pupil.

41 (c) The school days on which a district determines the full-time
42 equivalent enrollment of a pupil under subsections (b)(1) and (2) shall be
43 the school days on which the pupil has the highest number of hours of

1 attendance at the virtual school. No more than six hours of attendance may
2 be counted in a single school day. Attendance may be shown by a pupil's
3 on-line activity or entries in the pupil's virtual school journal or log of
4 activities.

5 (d) Subject to the availability of appropriations and within the limits
6 of any such appropriations, each school year a school district which offers
7 a virtual school shall receive virtual school state aid.

8 The state board of education shall determine the amount of virtual
9 school state aid a school district is to receive as follows:

10 (1) For school year 2015-2016:

11 (A) Determine the number of pupils enrolled in virtual school on a
12 full-time basis, excluding those pupils who are over 18 years of age, and
13 multiply the total number of such pupils by \$5,000;

14 (B) determine the full-time equivalent enrollment of pupils enrolled
15 in virtual school on a part-time basis, excluding those pupils who are over
16 18 years of age, and multiply the total full-time equivalent enrollment of
17 such pupils by \$4,045;

18 (C) for pupils enrolled in a virtual school who are over 18 years of
19 age, determine the number of one-hour credit courses such pupils have
20 passed and multiply the total number of such courses by \$933; and

21 (D) add the amounts calculated under subsections (d)(1)(A) through
22 (d)(1)(C). The resulting sum is the amount of virtual school state aid the
23 school district shall receive.

24 (2) For school year 2016-2017:

25 (A) Determine the number of pupils enrolled in virtual school on a
26 full-time basis, excluding those pupils who are over 18 years of age, and
27 multiply the total number of such pupils by \$5,600;

28 (B) determine the full-time equivalent enrollment of pupils enrolled
29 in virtual school on a part-time basis, excluding those pupils who are over
30 18 years of age, and multiply the total full-time equivalent enrollment of
31 such pupils by \$1,700;

32 (C) for pupils enrolled in a virtual school who are over 18 years of
33 age, determine the number of one-hour credit courses such pupils have
34 passed and multiply the total number of such courses by \$933; and

35 (D) add the amounts calculated under subsections (d)(2)(A) through
36 (d)(2)(C). The resulting sum is the amount of virtual school state aid the
37 school district shall receive.

38 (3) For purposes of this subsection:

39 (A) "Full-time" means attendance in a virtual school for no less than
40 six hours as determined pursuant to subsection (b).

41 (B) "Part-time" means attendance in a virtual school for less than six
42 hours as determined pursuant to subsection (b).

43 (e) There is hereby established in every school district a fund which

1 shall be called the virtual school fund, which fund shall consist of all
2 moneys deposited therein or transferred thereto according to law. The
3 expenses of a school district directly attributable to virtual schools offered
4 by a school district may be paid from the virtual school fund. The cost of
5 an advance placement course provided to a pupil by a virtual school shall
6 be paid by the virtual school. Amounts deposited in the virtual school fund
7 may be transferred to the general fund of the school district as approved by
8 the board of education.

9 Any balance remaining in the virtual school fund at the end of the
10 budget year shall be carried forward into the virtual school fund for
11 succeeding budget years. Such fund shall not be subject to the provisions
12 of K.S.A. 79-2925 through 79-2937, and amendments thereto.

13 In preparing the budget of such school district, the amounts credited to
14 and the amount on hand in the virtual school fund, and the amount
15 expended therefrom shall be included in the annual budget for the
16 information of the residents of the school district. Interest earned on the
17 investment of moneys in any such fund shall be credited to that fund.

18 *(f) For the purposes of this section, a pupil enrolled in a virtual*
19 *school who is not a resident of the state of Kansas shall not be counted in*
20 *the full-time equivalent enrollment of the virtual school. The virtual school*
21 *shall record the permanent address of any pupil enrolled in such virtual*
22 *school who is not a resident of the state of Kansas.*

23 Sec. 3. K.S.A. 2014 Supp. 72-6434, as amended by section 38 of
24 2015 House Substitute for Senate Bill No. 7, is hereby amended to read as
25 follows: 72-6434. (a) For school year 2014-2015, each district that has
26 adopted a local option budget is eligible for entitlement to an amount of
27 supplemental general state aid. Except as provided by K.S.A. 2014 Supp.
28 72-6434b, and amendments thereto, entitlement of a district to
29 supplemental general state aid shall be determined by the state board as
30 provided in this subsection. The state board shall:

31 (1) Determine the amount of the assessed valuation per pupil in the
32 preceding school year of each district in the state;

33 (2) rank the districts from low to high on the basis of the amounts of
34 assessed valuation per pupil determined under subsection (a)(1);

35 (3) identify the amount of the assessed valuation per pupil located at
36 the 81.2 percentile of the amounts ranked under subsection (a)(2);

37 (4) divide the assessed valuation per pupil of the district as
38 determined under subsection (a)(1) by the amount identified under
39 subsection (a)(3);

40 (5) (A) if the quotient obtained under subsection (a)(4) is less than
41 one, subtract the quotient obtained under subsection (a)(4) from one, and
42 multiply such difference by the amount of the local option budget of the
43 school district; or

1 (B) if the quotient obtained under subsection (a)(4) equals or exceeds
2 one, the school district shall not be entitled to receive supplemental
3 general state aid; and

4 (6) determine the amount of supplemental general state aid for each
5 school district eligible to receive such state aid as follows:

6 (A) For those school districts ranked in the lowest quintile of those
7 school districts eligible to receive supplemental general state aid under
8 subsection (a)(5), multiply the product calculated under subsection (a)(5)
9 (A) by 97%;

10 (B) for those school districts ranked in the second lowest quintile of
11 those school districts eligible to receive supplemental general state aid
12 under subsection (a)(5), multiply the product calculated under subsection
13 (a)(5)(A) by 95%;

14 (C) for those school districts ranked in the third lowest quintile of
15 those school districts eligible to receive supplemental general state aid
16 under subsection (a)(5), multiply the product calculated under subsection
17 (a)(5)(A) by 92%;

18 (D) for those school districts ranked in the second highest quintile of
19 those school districts eligible to receive supplemental general state aid
20 under subsection (a)(5), multiply the product calculated under subsection
21 (a)(5)(A) by 82%; and

22 (E) for those school districts ranked in the highest quintile of those
23 school districts eligible to receive supplemental general state aid under
24 subsection (a)(5), multiply the product calculated under subsection (a)(5)
25 (A) by 72%.

26 (b) If the amount of appropriations for supplemental general state aid
27 is less than the amount each district is entitled to receive for the school
28 year, the state board shall prorate the amount appropriated among the
29 districts in proportion to the amount each district is entitled to receive.

30 (c) The state board shall prescribe the dates upon which the
31 distribution of payments of supplemental general state aid to school
32 districts shall be due. Payments of supplemental general state aid shall be
33 distributed to districts on the dates prescribed by the state board. The state
34 board shall certify to the director of accounts and reports the amount due
35 each district, and the director of accounts and reports shall draw a warrant
36 on the state treasurer payable to the treasurer of the district. Upon receipt
37 of the warrant, the treasurer of the district shall credit the amount thereof
38 to the supplemental general fund of the district to be used for the purposes
39 of such fund.

40 (d) If any amount of supplemental general state aid that is due to be
41 paid during the month of June of a school year pursuant to the other
42 provisions of this section is not paid on or before June 30 of such school
43 year, then such payment shall be paid on or after the ensuing July 1, as

1 soon as moneys are available therefor. Any payment of supplemental
2 general state aid that is due to be paid during the month of June of a school
3 year and that is paid to school districts on or after the ensuing July 1 shall
4 be recorded and accounted for by school districts as a receipt for the
5 school year ending on the preceding June 30.

6 (e) (1) Except as provided by paragraph (2), moneys received as
7 supplemental general state aid shall be used to meet the requirements
8 under the school performance accreditation system adopted by the state
9 board, to provide programs and services required by law and to improve
10 student performance.

11 (2) Amounts of supplemental general state aid attributable to any
12 percentage over 25% of state financial aid determined for the current
13 school year may be transferred to the capital improvements fund of the
14 district and the capital outlay fund of the district if such transfers are
15 specified in the resolution authorizing the adoption of a local option
16 budget in excess of 25%.

17 (f) For the purposes of determining the total amount of state moneys
18 paid to school districts, all moneys appropriated as supplemental general
19 state aid shall be deemed to be state moneys for educational and support
20 services for school districts.

21 (g) For school year 2014-2015, for those school districts whose total
22 assessed valuation for school year 2015-2016 is less than such district's
23 total assessed valuation for school year 2014-2015, and the difference in
24 total assessed valuation between school year 2014-2015 and school year
25 2015-2016 is an amount that is greater than 25% of the total assessed
26 valuation of such district for school year 2014-2015, and such reduction in
27 total assessed valuation is the direct result of the classification of tangible
28 personal property within such district for property tax purposes pursuant to
29 ~~K.S.A. 2014 Supp. 79-507, and amendments thereto~~, the assessed
30 valuation per pupil for purposes of determining supplemental general state
31 aid shall be based on such school district's total assessed valuation for
32 school year 2015-2016.

33 Sec. 4. K.S.A. 2014 Supp. 72-8814, as amended by section 63 of
34 2015 Senate Bill No. 7, is hereby amended to read as follows: 72-8814. (a)
35 There is hereby established in the state treasury the school district capital
36 outlay state aid fund. Such fund shall consist of all amounts transferred
37 thereto under the provisions of subsection (c).

38 (b) For school year 2014-2015, each school district which levies a
39 tax pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall be
40 entitled to receive payment from the school district capital outlay state aid
41 fund in an amount determined by the state board of education as provided
42 in this subsection. The state board of education shall:

43 (1) Determine the amount of the assessed valuation per pupil (AVPP)

1 of each school district in the state and round such amount to the nearest
2 \$1,000. The rounded amount is the AVPP of a school district for the
3 purposes of this section;

4 (2) prepare a schedule of dollar amounts using the amount of the
5 AVPP of the school district with the lowest AVPP of all school districts as
6 the point of beginning. The schedule of dollar amounts shall range upward
7 in equal \$1,000 intervals from the point of beginning to and including an
8 amount that is equal to the amount of the AVPP of the school district with
9 the highest AVPP of all school districts;

10 (3) determine a state aid percentage factor for each school district by
11 assigning a state aid computation percentage to the amount of the lowest
12 AVPP shown on the schedule and decreasing the state aid computation
13 percentage assigned to the amount of the lowest AVPP by one percentage
14 point for each \$1,000 interval above the amount of the lowest AVPP.
15 Except as provided by K.S.A. 2014 Supp. 72-8814b, and amendments
16 thereto, the state aid percentage factor of a school district is the percentage
17 assigned to the schedule amount that is equal to the amount of the AVPP of
18 the school district. The state aid computation percentage is 75%;

19 (4) determine the amount levied by each school district pursuant to
20 K.S.A. 72-8801 et seq., and amendments thereto; and

21 (5) multiply the amount computed under subsection (b)(4), but not to
22 exceed 8 mills, by the applicable state aid percentage factor for the school
23 district. The product is the amount of payment the school district is entitled
24 to receive from the school district capital outlay state aid fund in the
25 school year.

26 (c) During the fiscal year ending June 30, 2015:

27 (1) On February 20, 2015, the director of accounts and reports shall
28 transfer \$25,300,000 from the state general fund to the school district
29 capital outlay state aid fund. The state board of education shall distribute
30 such moneys to pay the proportionate share of the entitlements to each
31 school district as determined under the provisions of subsection (b); and

32 (2) On June 20, 2015, the director of accounts and reports shall
33 transfer the remaining amount of moneys to which the school districts are
34 entitled to receive from the state general fund to the school district capital
35 outlay state aid fund pursuant to the provisions of subsection (b). Such
36 transferred amount shall not exceed ~~\$2,202,500~~ \$4,179,318. The state
37 board of education shall distribute such moneys to pay the share of the
38 entitlement to each school district as determined under the provisions of
39 subsection (b).

40 (d) Payments from the school district capital outlay state aid fund
41 shall be distributed to school districts at times determined by the state
42 board of education. The state board of education shall certify to the
43 director of accounts and reports the amount due each school district

1 entitled to payment from the fund, and the director of accounts and reports
2 shall draw a warrant on the state treasurer payable to the treasurer of the
3 school district. Upon receipt of the warrant, the treasurer of the school
4 district shall credit the amount thereof to the capital outlay fund of the
5 school district to be used for the purposes of such fund.

6 (e) Amounts transferred to the capital outlay fund of a school district
7 as authorized by K.S.A. 72-6433, and amendments thereto, shall not be
8 included in the computation when determining the amount of state aid to
9 which a district is entitled to receive under this section.

10 (f) For school year 2014-2015, for those school districts whose total
11 assessed valuation for school year 2015-2016 is less than such district's
12 total assessed valuation for school year 2014-2015, and the difference in
13 total assessed valuation between school year 2014-2015 and school year
14 2015-2016 is an amount that is greater than 25% of the total assessed
15 valuation of such district for school year 2014-2015, and such reduction in
16 total assessed valuation is the ~~direct~~ result of the classification of tangible
17 personal property within such district for property tax purposes ~~pursuant to~~
18 ~~K.S.A. 2014 Supp. 79-507, and amendments thereto~~, the assessed
19 valuation per pupil for purposes of determining capital outlay state aid
20 shall be based on such school district's total assessed valuation for school
21 year 2015-2016.

22 Sec. 5. From and after July 1, 2015, K.S.A. 2014 Supp. 75-2319, as
23 amended by section 72 of 2015 House Substitute for Senate Bill No. 7, is
24 hereby amended to read as follows: 75-2319. (a) There is hereby
25 established in the state treasury the school district capital improvements
26 fund. The fund shall consist of all amounts transferred thereto under the
27 provisions of subsection (c).

28 (b) Subject to the provisions of subsection (f), in each school year,
29 each school district which is obligated to make payments from its capital
30 improvements fund shall be entitled to receive payment from the school
31 district capital improvements fund in an amount determined by the state
32 board of education as provided in this subsection.

33 (1) For general obligation bonds approved for issuance at an election
34 held prior to July 1, 2015, the state board of education shall:

35 (A) Determine the amount of the assessed valuation per pupil (AVPP)
36 of each school district in the state and round such amount to the nearest
37 \$1,000. The rounded amount is the AVPP of a school district for the
38 purposes of this subsection (b)(1);

39 (B) determine the median AVPP of all school districts;

40 (C) prepare a schedule of dollar amounts using the amount of the
41 median AVPP of all school districts as the point of beginning. The
42 schedule of dollar amounts shall range upward in equal \$1,000 intervals
43 from the point of beginning to and including an amount that is equal to the

1 amount of the AVPP of the school district with the highest AVPP of all
2 school districts and shall range downward in equal \$1,000 intervals from
3 the point of beginning to and including an amount that is equal to the
4 amount of the AVPP of the school district with the lowest AVPP of all
5 school districts;

6 (D) determine a state aid percentage factor for each school district by
7 assigning a state aid computation percentage to the amount of the median
8 AVPP shown on the schedule, decreasing the state aid computation
9 percentage assigned to the amount of the median AVPP by one percentage
10 point for each \$1,000 interval above the amount of the median AVPP, and
11 increasing the state aid computation percentage assigned to the amount of
12 the median AVPP by one percentage point for each \$1,000 interval below
13 the amount of the median AVPP. Except as provided by K.S.A. 2014 Supp.
14 75-2319c, and amendments thereto, the state aid percentage factor of a
15 school district is the percentage assigned to the schedule amount that is
16 equal to the amount of the AVPP of the school district. The state aid
17 percentage factor of a school district shall not exceed 100%. The state aid
18 computation percentage is 25%;

19 (E) determine the amount of payments that a school district is
20 obligated to make from its bond and interest fund attributable to
21 ~~contractual bond obligations incurred by the school district~~ *general*
22 *obligation bonds approved for issuance at an election held prior to July 1,*
23 *2015; and*

24 (F) multiply the amount determined under subsection (b)(1)(E) by the
25 applicable state aid percentage factor.

26 (2) For general obligation bonds approved for issuance at an election
27 held on or after July 1, 2015, but prior to July 1, 2017, the state board of
28 education shall:

29 (A) Determine the amount of the AVPP of each school district in the
30 state and round such amount to the nearest \$1,000. The rounded amount is
31 the AVPP of a school district for the purposes of this subsection (b)(2);

32 (B) prepare a schedule of dollar amounts using the amount of the
33 AVPP of the school district with the lowest AVPP of all school districts as
34 the point of beginning. The schedule of dollar amounts shall range upward
35 in equal \$1,000 intervals from the point of beginning to and including an
36 amount that is equal to the amount of the AVPP of the school district with
37 the highest AVPP of all school districts;

38 (C) determine a state aid percentage factor for each school district by
39 assigning a state aid computation percentage to the amount of the lowest
40 AVPP shown on the schedule and decreasing the state aid computation
41 percentage assigned to the amount of the lowest AVPP by one percentage
42 point for each \$1,000 interval above the amount of the lowest AVPP.
43 Except as provided by K.S.A. 2014 Supp. 75-2319c, and amendments

1 thereto, the state aid percentage factor of a school district is the percentage
2 assigned to the schedule amount that is equal to the amount of the AVPP of
3 the school district. The state aid computation percentage is 75%;

4 (D) determine the amount of payments that a school district is
5 obligated to make from its bond and interest fund attributable to
6 ~~contractual bond obligations incurred by the school district~~ *general*
7 *obligation bonds approved for issuance at an election held on or after July*
8 *1, 2015, but prior to July 1, 2017*; and

9 (E) multiply the amount determined under subsection (b)(2)(D) by
10 the applicable state aid percentage factor.

11 (3) The sum of the amount determined under subsection (b)(1)(F) and
12 the amount determined under subsection (b)(2)(E) is the amount of
13 payment the school district is entitled to receive from the school district
14 capital improvements fund in the school year.

15 (c) The state board of education shall certify to the director of
16 accounts and reports the entitlements of school districts determined under
17 the provisions of subsection (b), and an amount equal thereto shall be
18 transferred by the director from the state general fund to the school district
19 capital improvements fund for distribution to school districts. All transfers
20 made in accordance with the provisions of this subsection shall be
21 considered to be demand transfers from the state general fund, except that
22 all such transfers during the fiscal years ending June 30, 2013, June 30,
23 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue
24 transfers from the state general fund.

25 (d) Payments from the school district capital improvements fund shall
26 be distributed to school districts at times determined by the state board of
27 education to be necessary to assist school districts in making scheduled
28 payments pursuant to contractual bond obligations. The state board of
29 education shall certify to the director of accounts and reports the amount
30 due each school district entitled to payment from the fund, and the director
31 of accounts and reports shall draw a warrant on the state treasurer payable
32 to the treasurer of the school district. Upon receipt of the warrant, the
33 treasurer of the school district shall credit the amount thereof to the bond
34 and interest fund of the school district to be used for the purposes of such
35 fund.

36 (e) The provisions of this section apply only to contractual
37 obligations incurred by school districts pursuant to general obligation
38 bonds issued upon approval of a majority of the qualified electors of the
39 school district voting at an election upon the question of the issuance of
40 such bonds.

41 Sec. 6. K.S.A. 2014 Supp. 72-6434, as amended by section 38 of
42 2015 House Substitute for Senate Bill No. 7, and 72-8814, as amended by
43 section 63 of 2015 House Substitute for Senate Bill No. 7, are hereby

1 repealed.

2 Sec. 7. From and after July 1, 2015, K.S.A. 2014 Supp. 72-1046b, as
3 amended by section 29 of 2015 House Substitute for Senate Bill No. 7, 72-
4 3715, as amended by section 36 of 2015 House Substitute for Senate Bill
5 No. 7, 72-6434, as amended by section 3 of this act, 72-8814, as amended
6 section 4 of this act, and 75-2319, as amended by section 72 of 2015
7 House Substitute for Senate Bill No. 7, are hereby repealed.

8 Sec. 8. This act shall take effect and be in force from and after its
9 publication in the Kansas register.